



EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

29 CFR Part 1601

RIN 3046-AB17

2022 Adjustment of the Penalty for Violation of Notice Posting Requirements

AGENCY: Equal Employment Opportunity Commission.

ACTION: Final rule.

SUMMARY: In accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which further amended the Federal Civil Penalties Inflation Adjustment Act of 1990, this final rule adjusts for inflation the civil monetary penalty for violation of the notice-posting requirements in Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Genetic Information Non-Discrimination Act.

DATES: This final rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Kathleen Oram, Assistant Legal Counsel, (202) 921- 2665 or kathleen.oram@eeoc.gov, or Savannah Marion Felton, Senior Attorney, (202) 921-2671 or savannah.felton@eeoc.gov, Office of Legal Counsel, Equal Employment Opportunity Commission, 131 M St. NE, Washington, DC 20507. Requests for this notice in an alternative format should be made to the Office of Communications and Legislative Affairs at (202) 921-3191 (voice) or 1-800-669-6820 (TTY), or 1-844-234-5122 (ASL video phone).

SUPPLEMENTARY INFORMATION:

I. Background

Under section 711 of the Civil Rights Act of 1964 (Title VII), which is adopted by reference in section 105 of the Americans with Disabilities Act (ADA) and section

207(a)(1) of the Genetic Information Non-Discrimination Act (GINA), and implemented in 29 CFR 1601.30(a), every employer, employment agency, labor organization, and joint labor-management committee controlling an apprenticeship or other training program covered by Title VII, ADA, or GINA must post notices describing the pertinent provisions of these laws. Such notices must be posted in prominent and accessible places where notices to employees, applicants, and members are customarily maintained. 29 CFR 1601.30(a). Failure to comply with this posting requirement is subject to penalty pursuant to the Federal Civil Penalties Adjustment Act, as amended. 29 CFR 1601.30(b). In fiscal year (FY) 2021, the Equal Employment Opportunity Commission (EEOC) had 10 posting violation charge resolutions.

The EEOC first adjusted the civil monetary penalty for violations of the notice posting requirements in 1997 pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIA Act), 28 U.S.C. 2461 note, as amended by the Debt Collection Improvement Act of 1996 (DCIA), Pub. L. 104-134, Sec. 31001(s)(1), 110 Stat. 1373. A final rule was published in the Federal Register on May 16, 1997, at 62 FR 26934, which raised the maximum penalty per violation from \$100 to \$110. The EEOC's second adjustment, made pursuant to the FCPIA Act, as amended by the DCIA, was published in the Federal Register on March 19, 2014, at 79 FR 15220 and raised the maximum penalty per violation from \$110 to \$210.

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act), Pub. L. 114-74, Sec. 701(b), 129 Stat. 599, further amended the FCPIA Act, to require each federal agency, not later than July 1, 2016, and not later than January 15 of every year thereafter, to issue regulations adjusting for inflation the maximum civil penalty that may be imposed pursuant to each agency's statutes. The purpose of the annual adjustment for inflation was to maintain the remedial impact of civil monetary penalties and promote compliance with the law. The EEOC's initial adjustment made

pursuant to the 2015 Act was published in the Federal Register on June 2, 2016, at 81 FR 35269 and raised the maximum penalty per violation from \$210 to \$525. The EEOC has subsequently made annual adjustments pursuant to the 2015 Act each year. Most recently, in 2021, the maximum penalty per violation was increased to \$576.

These annual adjustments to the penalty are calculated pursuant to the inflation adjustment formula provided in section 5(b) of the 2015 Act. In accordance with section 6 of the 2015 Act, the adjusted penalty will apply only to penalties assessed after the effective date of the adjustment. Generally, the periodic inflation adjustment to a civil monetary penalty under the 2015 Act will be based on the percentage change between the Consumer Price Index for all Urban Consumers (CPI-U) for the month of October preceding the date of adjustment and the prior year's October CPI-U.

II. Calculation

The adjustment set forth in this final rule was calculated by comparing the CPI-U for October 2020 with the CPI-U for October 2021, resulting in an inflation adjustment factor of 1.06222. The first step of the calculation is to multiply the inflation adjustment factor (1.06222) by the most recent civil penalty amount (\$576) to calculate the inflation-adjusted penalty level (\$611.83872). The second step is to round this inflation-adjusted penalty to the nearest dollar (\$612). Accordingly, the Commission is now adjusting the maximum penalty per violation specified in 29 CFR 1601.30(a) from \$576 to \$612.

III. Regulatory Procedures

Administrative Procedure Act

The Administrative Procedure Act (APA) provides an exception to the notice and comment procedures where an agency finds good cause for dispensing with such procedures, on the basis that they are impracticable, unnecessary, or contrary to the public interest. The Commission finds that under 5 U.S.C. 553(b)(3)(B) good cause exists to not utilize notice of proposed rulemaking and public comment procedures for this rule because this adjustment of the civil monetary penalty is required by the 2015 Act, the formula for calculating the adjustment to the penalty is prescribed by statute, and the Commission has no discretion in determining the amount of the published adjustment. Accordingly, the Commission is issuing this revised regulation as a final rule without notice and comment.

Executive Order 12866

Pursuant to Executive Order 12866, the EEOC has coordinated with the Office of Management and Budget (OMB). Under section 3(f) of Executive Order 12866, the EEOC and OMB have determined that this final rule will not have an annual effect on the economy of \$100 million or more, or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities. In FY 2021, the Commission had 10 posting notice charge resolutions. The great majority of employers and entities covered by these regulations comply with the posting requirement, and, as a result, the aggregate economic impact of these revised regulations will be minimal, affecting only those limited few who fail to post required notices in violation of the regulation and statute.

Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. chapter 35) (PRA) applies to rulemakings in which an agency creates a new paperwork burden on regulated entities or modifies an existing burden. This final rule contains no new information collection requirements, and therefore, will create no new paperwork burdens or modifications to existing burdens that are subject to review by the Office of Management and Budget under the PRA.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601-612) only requires a regulatory flexibility analysis when notice and comment is required by the Administrative Procedure Act or some other statute. As stated above, notice and comment is not required for this rule. For that reason, the requirements of the Regulatory Flexibility Act do not apply.

Unfunded Mandates Reform Act of 1995

This final rule will not result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Congressional Review Act

The Congressional Review Act (CRA) requires that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EEOC will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to the effective date of the rule. Under the CRA, a major rule cannot take

effect until 60 days after it is published in the Federal Register. This action is not a “major rule” as defined by the CRA at 5 U.S.C. 804(2).

List of Subjects in 29 CFR Part 1601

Administrative practice and procedure.

Charlotte A. Burrows,

Chair, Equal Employment Opportunity Commission.

Accordingly, the Equal Employment Opportunity Commission amends 29 CFR part 1601 as follows:

PART 1601—PROCEDURAL REGULATIONS

1. The authority citation for part 1601 continues to read as follows:

Authority: 42 U.S.C. 2000e to 2000e-17; 42 U.S.C. 12111 to 12117; 42 U.S.C. 2000ff to 2000ff-11; 28 U.S.C. 2461 note, as amended; Pub. L. 104-134, Sec. 31001(s)(1), 110 Stat. 1373.

2. Section 1601.30 is amended by revising paragraph (b) to read as follows:

§1601.30 Notices to be posted.

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(b) Section 711(b) of Title VII and the Federal Civil Penalties Inflation

Adjustment Act, as amended, make failure to comply with this section punishable by a fine of not more than \$612 for each separate offense.

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